

SECOND REGULAR SESSION

HOUSE BILL NO. 1382

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES HANAWAY, NAEGER, REINHART, CRAWFORD, BEARDEN, CUNNINGHAM, MOORE, MARBLE, REID, ROSS, PORTWOOD, SECREST, SHIELDS (Co-sponsors), LUETKEMEYER, SCOTT, BARTLE, COOPER, BERKSTRESSER, ROARK, KELLEY (47), CHAMPION, MYERS, OSTMANN, BARTELSMEYER, MAY (149), SURFACE, HUNTER, FROELKER, HENDRICKSON, BURTON, FARES, LEVIN, PHILLIPS, GASKILL, HENDERSON AND JETTON.

Pre-filed January 4, 2002, and 1000 copies ordered printed.

TED WEDEL, Chief Clerk

3628L.01I

AN ACT

To repeal section 143.171, RSMo, and to enact in lieu thereof one new section relating to deductibility of individual and corporate federal income taxes.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 143.171, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 143.171, to read as follows:

143.171. 1. For all tax years beginning before January 1, 1994, for an individual taxpayer and for all tax years beginning before September 1, 1993, for a corporate taxpayer, the taxpayer shall be allowed a deduction for [his] **the taxpayer's** federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after January 1, 1994, **but before December 31, 2001** an individual taxpayer shall be allowed a deduction for [his] **the taxpayer's** federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's

EXPLANATION — Matter enclosed in bold faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

14 return or ten thousand dollars on a combined return, after reduction for all credits thereon, except
15 the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax,
16 and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages),
17 section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain
18 uses of gasoline, special fuels, and lubricating oils). **For all tax years beginning on or after**
19 **January 1, 2002, an individual taxpayer shall be allowed a full deduction for the taxpayer's**
20 **federal income tax liability under chapter 1 of the Internal Revenue Code for the same**
21 **taxable year for which the Missouri return is being filed, after reduction for all credits**
22 **thereon, except as specified in this subsection.**

23 3. For all tax years beginning on or after September 1, 1993, **but before December 31,**
24 **2001,** a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax
25 liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the
26 Missouri return is being filed after reduction for all credits thereon, except the credit for
27 payments of federal estimated tax, the credit for the overpayment of any federal tax, and the
28 credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27
29 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of
30 gasoline, special fuels and lubricating oils). **For all tax years beginning on or after January**
31 **1, 2002, a corporate taxpayer shall be allowed a full deduction for its federal income tax**
32 **liability under chapter 1 of the Internal Revenue Code for the same taxable year for which**
33 **the Missouri return is being filed after reduction for all credits thereon, except as specified**
34 **in this subsection.**

35 4. If a federal income tax liability for a tax year prior to the applicability of sections
36 143.011 to 143.996 for which [he] **the taxpayer** was not previously entitled to a Missouri
37 deduction is later paid or accrued, [he] **the taxpayer** may deduct the federal tax in the later year
38 to the extent it would have been deductible if paid or accrued in the prior year.